

[Translation]

### Lac Production

3641. SHRI LALIT ORAON : Will the Minister of INDUSTRY be pleased to state:

(a) whether the lac industry is passing through grave crisis for the last few years;

(b) if so, the details thereof; and

(c) the steps being taken by the Government to bring the industry out of crisis and also development of the same?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The Khadi and Village Industry Commission is not aware of any such crisis in the lac industry.

(b) Does not arise.

(c) KVIC provides financial assistance to lac based entrepreneurial units for the employment of the rural youth/artisans.

### Pay and Allowances for Employees of Rural Banks

3642. SHRI BACHI SINGH RAWAT 'BACHDA' : Will the Minister of FINANCE be pleased to state :

(a) whether the Bank employees posted in hilly or rural areas of Uttar Pradesh are paid equivalent to the Nationalised Bank employees;

(b) if not, the reasons thereof; and

(c) the details of difference in pay between the Nationalised bank employees and rural bank employees and reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The salaries and allowances of employees of nationalised banks are governed by bipartite agreement between the Indian Banks' Association and the employees' unions. The salaries of the employees of the Regional Rural Banks (RRBs) are, however, determined by the Government of India under the powers conferred by Section 17 of the Regional Rural Banks Act, 1976. Necessary instructions to RRBs were issued in this regard by Government of India vide circular dated 22.2.1991.

### N.P.A. Scheme in Rural Banks

3643. SHRI SANTOSH KUMAR GANGWAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that introduction of Non-Performing Assets schemes in rural banks

may increase their losses; and

(b) if so, the strategy being chalked-out by the Government to make-up the losses and to make these banks profit-earning?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The introduction of prudential accounting norms for Regional Rural Banks (RRBs) such as income recognition and asset classification norms from 1995-96 and provisioning norms from 1996-97 has been done to impart transparency in the operations of the RRBs. The introduction of these norms will, by itself not create any losses in the RRBs. It would, however, ensure that all losses are appropriately recorded in the accounts and provided for.

(b) Several measures have been initiated to bring an improvement in the performance of the RRBs and make them viable. These, inter-alia, include :—

- i) With a view to widening the range and scope of services, RRBs have been allowed with effect from 1.1.1994 to finance non-target groups to the extent of 60 per cent of their fresh lending; more discretionary powers have been given to them for purchase/discounting of cheques/demand drafts. They have been allowed to issue guarantees on behalf of their customers and have been allowed to install lockers, issue drafts and effect Mail Transfers (MTs) for increasing the range of services.
- ii) Seventy RRBs with disbursements of less than Rs. 2 crores during 1992-93 have been relieved of the service area obligations and they are allowed to finance throughout the area within their jurisdiction. Remaining RRBs are also allowed to extend loans within their entire command districts subject to their service area obligations.
- iii) RRBs have been allowed to relocate their loss making branches to relatively better locations viz. commercial centres like market area, village mandies, block and district headquarters, etc. and redeploy concerned staff suitably.
- iv) 102 select RRBs have been given equity support to the extent of Rs. 374 crores (approx.) by Government of India. A budget provision of Rs. 200 crores has been made in 1996-97 for this purpose.
- v) All RRBs have been advised to prepare bank specific development action plans to enable them to adopt a systematic approach for their turnaround.

- vi) Reserve Bank of India (RBI) has provided the RRBs access to profitable avenues for investment of their non-SLR surplus funds in listed and other schemes of Unit Trust of India (UTI), fixed deposits in profit making term lending financial institutions like the Industrial Development Bank of India (IDBI), Industrial Credit Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI), Small Industrial Development Bank of India (SIDBI), in bonds of nationalised banks and profit earning public sector institutions and in non convertible debentures or reputed blue-chip companies. Besides, the RRBs have been permitted by the RBI to deploy a part of their surplus non-SLR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to be issued by the latter.
- vii) Prudential accounting norms of income recognition and asset classification has been made applicable to RRBs in 1995-96. Provisioning norms would be made applicable in a phased manner from 1996-97.
- viii) With effect from 26.8.1996, the Reserve Bank of India (RBI) has deregulated the interest rates that can be charged to the ultimate borrowers by the RRBs.

[English]

#### Export of Textiles

3644. SHRI SOUMYA RANJAN : Will the Minister of TEXTILES be pleased to state :

(a) the target fixed for export of textiles during the last three years alongwith the target achieved;

(b) the revenue earned in terms of foreign exchange during the above period, year-wise; and

(c) the steps taken by the Government to increase the export of textiles during the current financial year?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) and (b) The targets fixed for the exports of textiles (including Handicrafts, Jute and Coir) during the last three years and the achievements in terms of foreign exchange earnings have been as follows :

Year	In US Million Dollars	
	Target	Achievement
1993-94	7,400	7,973.91
1994-95	9,000	9,980.15
1995-96	10,500	10,685.07

(c) In order to step up the exports of textiles, Government have been taking a number of steps, which include encouraging exporters to participate in buyer-seller meets, fairs and exhibitions; enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of new materials for export production; ensuring increased availability of export credit etc.

Government have also supported a combined effort of the Textile Export Promotion Councils to open One Man Export Promotion Offices in Sao Paulo (Brazil), Osaka (Japan), Durban (South Africa) and Melbourne (Australia) in order to step up our textile exports to these countries/regions.

#### Services Charges for Operating Bank Accounts

3645. SHRI PRAMOTHES MUKHERJEE :  
SHRI RAMSAGAR :

Will the Minister of FINANCE be pleased to state :

(a) the details of latest guidelines issued by the Reserve Bank of India in regard to the minimum amount required for operating saving/current bank Accounts in various nationalised banks including foreign banks;

(b) whether the Government are aware that foreign banks including Standard Chartered have been charging service charges ranging from Rs. 100/- to 200/- per month from those saving bank account holders whose balance falls short of Rupees ten thousands; and

(c) if so, the reasons therefor and the remedial action taken or proposed to be taken in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Reserve Bank of India (RBI) has not prescribed any minimum amount required to operate savings/current accounts. However, Indian Banks' Association (IBA) have advised its member banks that each bank should determine the minimum balance as consider appropriate. Accordingly, the minimum balance in savings/current account is prescribed by individual banks taking into account cost of servicing such accounts, etc. Foreign banks' tariffs on all the services are high compared to public sector and other Indian banks. IBA has reported that foreign banks stipulate high minimum balances also, for accounts to be opened and maintained with them. Customers of foreign banks patronise such banks with the knowledge of these conditions.